

Philadelphia Gas Works

Gregory J. Stunder
Senior Attorney



800 W. Montgomery Avenue, Philadelphia, PA 19122
Telephone: (215) 684-6878 – Fax (215) 684-6798
Email: greg.stunder@pgworks.com

March 31, 2014

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
2nd Floor, 1 North
400 North Street
Harrisburg, PA 17120

Re: Revised April 1, 2014 Quarterly Distribution System Improvement Charge (“DSIC”)
Filing -- Philadelphia Gas Works (“PGW”); Docket No. M-2014-2412766
(Originally filed in Docket No. P-2012-2337737)

Dear Secretary Chiavetta:

PGW hereby files the Company’s Revised Quarterly DSIC filing. The April 1, 2014 DSIC percentage is 2.60%. If you have any questions, please contact me.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Gregory J. Stunder", is written over the typed name. The signature is fluid and cursive in style.

Gregory J. Stunder

Enclosures

cc: All Parties of Record
Bhodan R. Pankiw, Esquire, Law Bureau (bpankiw@pa.gov)
Paul T. Diskin, Technical Utility Services (pdiskin@pa.gov)
Lori A. Burger, Bureau of Audits (lburger@pa.gov)
Brian T. Shuey, Bureau of Audits (bshuey@pa.gov)

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the participants listed below in accordance with the requirements of § 1.54 (relating to service by a participant).

VIA EMAIL

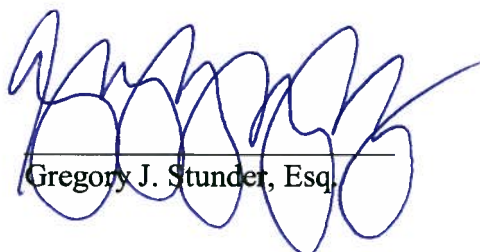
Daryl Lawrence, Esquire
Erin Gannon, Esquire
Office of Consumer Advocate
5th Floor, Forum Place Bldg.
555 Walnut Street
Harrisburg, PA 17101-1921
dlawrence@paoca.org
egannon@paoca.org

Charis Mincavage, Esquire
Adeolu Bakare, Esquire
McNEES, WALLACE, NURICK
100 Pine Street
Harrisburg, PA 17108-1166
cmincavage@mwn.com
abakare@mwn.com

Sharon Webb, Esquire
Office of Small Business Advocate
Commerce Building, Suite 1102
300 North 2nd Street
Harrisburg, PA 17101
swebb@pa.gov

Dennis P. Hosler, CPA
Director – Bureau of Audits
PA Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120
dhosler@pa.gov

Richard Kanaskie, Esquire
Investigation and Enforcement
PA Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120
rkanaskie@pa.gov



Gregory J. Stunder, Esq.

Date: March 31, 2014

**PHILADELPHIA GAS WORKS
APRIL 1, 2014 - QUARTERLY FILING
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)**

Recoverable Costs (DSI)	\$	-	(Page 2)
Annual Reconciliation (e)	\$	3,125,326	(Page 3)
Total Recoverable Costs (DSI + e)	\$	3,125,326	
Projected Quarterly Revenues (PQR)	\$	120,206,937	(Page 4)
Distribution System Improvement Charge (DSIC)		<u>2.60%</u>	*

* DSIC is capped at 5.0%

Formula: The formula for calculation of the DSIC is as follows:

$$\text{DSIC} = \frac{\text{DSI} + \text{e}}{\text{PQR}}$$

Where:

DSI = Recoverable costs

e = The amount calculated under the annual reconciliation feature or Commission audit.

PQR = Projected quarterly revenues for distribution service (including all applicable clauses and riders) including any revenue from existing customers plus netted revenue from any customers which will be gained or lost by the beginning of the applicable service period.

Revenues will be determined as one-fourth (1/4) of projected annual revenues.

PHILADELPHIA GAS WORKS
2013 DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC) RECONCILIATION

<u>Month</u>	<u>DSIC Recoverable Costs</u>	<u>DSIC Revenue Billed</u>	<u>Over/(Under) Collection</u>	<u>Interest Weighting</u>	<u>Interest Rate</u>	<u>Interest*</u>
January 2013	\$ -	\$ -	\$ -	21	4.50%	\$ -
February	\$ -	\$ -	\$ -	20	4.50%	\$ -
March	\$ -	\$ -	\$ -	19	4.75%	\$ -
April	\$ -	\$ -	\$ -	18	5.25%	\$ -
May	\$ -	\$ -	\$ -	17	5.25%	\$ -
June	\$ -	\$ -	\$ -	16	5.00%	\$ -
July (a)	\$ 1,262,448	\$ 238,646	\$ (1,023,802)	15	5.00%	\$ (63,988)
August (a)	\$ 1,262,448	\$ 442,329	\$ (820,119)	14	5.50%	\$ (52,624)
September (a)	\$ 1,262,448	\$ 473,982	\$ (788,466)	13	5.75%	\$ (49,115)
October (b)	\$ 1,646,528	\$ 631,215	\$ (1,015,313)	12	5.75%	\$ (58,380)
November (b)	\$ 1,646,528	\$ 1,374,992	\$ (271,536)	11	6.00%	\$ (14,934)
December (b)	\$ 1,646,528	\$ 2,440,437	\$ 793,909	10	5.75%	\$ 38,041
Total	\$ 8,726,928	\$ 5,601,602	\$ (3,125,326)			\$ (201,000)

*Interest is not recoverable on net under collections.

(a)	\$ 3,787,344
(b)	\$ 4,939,584

Philadelphia Gas Works
April 1, 2014 DSIC Filing
Annual Tariff Revenue

	2nd Quarter Filing 3/1/2013			January 1, 2014 PUC Approved Tariff Rates					Amounts in \$000s					
	No. of Customers	No. of Annual Bills	Annual Deliveries (mcf)	Monthly Cust. Charge	OPEB	Univ. Service Charge	Efficiency Cost Recovery Charge	Delivery Charge	Cust. Charge Revenue	OPEB Revenue	Univ. Service Charge Revenue	Efficiency Cost Recovery Revenue	Delivery Charge Revenue	Total Distribution Revenue
1 Non-Heating:														
2 Residential	23,798	285,576	502,790	\$12.00	\$0.3482	\$1.9969	\$0.0705	\$6.0067	3,427	175	1,004	35	3,020	7,662
3 Commercial	4,223	50,676	1,123,188	\$18.00	\$0.3482	\$1.9969	\$0.0782	\$4.5984	912	391	2,243	88	5,165	8,799
4 Industrial	149	1,788	142,916	\$50.00	\$0.3482	\$1.9969	\$(0.2059)	\$4.5332	89	50	285	(29)	648	1,043
5 Municipal/MS	100	1,200	129,410	\$18.00	\$0.3482	\$1.9969	-	\$3.3661	22	45	258	0	436	761
6 NGV	2	24	1,420	\$35.00	-	\$1.9969	-	\$1.2833	1	0	3	0	2	5
7 Total Non-Heat Firm	28,272	339,264	1,899,724						4,451	661	3,794	94	9,270	18,270
8														
9 Heating:														
10 Residential	443,904	5,326,848	36,776,883	\$12.00	\$0.3482	\$1.9969	\$0.0705	\$6.0067	63,922	12,806	73,440	2,593	220,908	373,668
11 Commercial	17,153	205,836	6,361,990	\$18.00	\$0.3482	\$1.9969	\$0.0782	\$4.5984	3,705	2,215	12,704	498	29,255	48,377
12 Industrial	401	4,812	373,354	\$50.00	\$0.3482	\$1.9969	\$(0.2059)	\$4.5332	241	130	746	(77)	1,692	2,732
13 Municipal/MS	385	4,620	502,873	\$18.00	\$0.3482	\$1.9969	-	\$3.3661	83	175	1,004	0	1,693	2,955
14 PHA Rate 8	821	9,852	561,295	\$18.00	\$0.3482	\$1.9969	\$0.0782	\$4.1101	177	195	1,121	44	2,307	3,845
15 PHA/GS	1,648	19,776	167,866	\$12.00	\$0.3482	\$1.9969	\$0.0705	\$4.9441	237	58	335	12	830	1,473
16 Total Heat Firm	464,312	5,571,744	44,744,261						68,366	15,580	89,350	3,069	256,685	433,049
17 Total Heat & Non-Heat Firm	492,584	5,911,008	46,643,985						72,817	16,241	93,143	3,163	265,955	451,319
18														
19 Firm Transport														
20 Non-Heating:														
21 Residential	0	0	0	\$12.00	\$0.3482	\$1.9969	\$0.0705	\$6.0067	0	0	0	0	0	0
22 Commercial	654	7,848	564,391	\$18.00	\$0.3482	\$1.9969	\$0.0782	\$4.5984	141	197	1,127	44	2,595	4,104
23 Industrial	41	492	222,782	\$50.00	\$0.3482	\$1.9969	\$(0.2059)	\$4.5332	25	78	445	(46)	1,010	1,511
24 Municipal/MS	218	2,616	109,969	\$18.00	\$0.3482	\$1.9969	-	\$3.3661	47	38	220	0	370	675
25 Total Non Heat FT	913	10,956	897,142						213	312	1,792	(2)	3,975	6,290
26														
27 Heating:														
28 Residential	0	0	0	\$12.00	\$0.3482	\$1.9969	\$0.0705	\$6.0067	0	0	0	0	0	0
29 Commercial	2,180	26,160	2,682,606	\$18.00	\$0.3482	\$1.9969	\$0.0782	\$4.5984	471	934	5,357	210	12,336	19,307
30 Industrial	63	756	219,993	\$50.00	\$0.3482	\$1.9969	\$(0.2059)	\$4.5332	38	77	439	(45)	997	1,506
31 Municipal/MS	195	2,340	413,784	\$18.00	\$0.3482	\$1.9969	-	\$3.3661	42	144	826	0	1,393	2,405
32 Total Heat FT	2,438	29,256	3,316,382						551	1,155	6,622	164	14,726	23,218
33 Total FT	3,351	40,212	4,213,524						764	1,467	8,414	163	18,701	29,509
34														
35 Total PGW	495,935	5,951,220	50,857,509						73,580	17,708	101,557	3,326	284,656	480,828

Projected Quarterly Revenue \$ 120,206,937
(1/4 of Annual Revenue)

PHILADELPHIA GAS WORKS
GAS SERVICE TARIFF



Issued by: Craig White
President and CEO

PHILADELPHIA GAS WORKS
800 West Montgomery Avenue
Philadelphia, PA 19122

PHILADELPHIA GAS WORKS

List of Changes Made by this Tariff Supplement

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (“DSIC”) (PAGE No. 151)

Effective April 1, 2014, the DSIC percentage decreases from 4.34% to 2.60%.

TABLE OF CONTENTS

	<u>Page Number</u>
List of Changes Made By This Tariff _____	Seventy Second Revised 2
Description of Territory Served _____	5
Table of Contents _____	Seventy Second Revised 6
Definitions _____	10
<u>RULES and REGULATIONS:</u>	
1. The Gas Service Tariff _____	First Revised 15
2. Application and Contract for Gas Service _____	Sixth Revised 17
3. Credit and Deposit _____	Second Revised 21
4. Billing and Payment _____	First Revised 26
5. Termination and/or Discontinuance of Gas Service _____	First Revised 30
6. Termination of Service for Safety Reasons and Curtailment of Service/ Service Continuity _____	First Revised 38
7. Inquiry, Review, Dispute, and Appeals Process _____	First Revised 41
8. Customer's Responsibility for Company's Property _____	First Revised 44
9. Conditions of Service, Point of Delivery, and Application of Rates ____	Third Revised 47
10. Extensions And Rights-Of-Way _____	First Revised 50
11. Meters: Measurements, Readings, Errors, and Tests _____	First Revised 53
12. Service Charges and Miscellaneous Fees and Provisions _____	First Revised 57
13. Universal Service And Energy Conservation Programs _____	Second Revised 59
14. Gas Choice Enrollment and Switching _____	63
15. Supplier of Last Resort _____	First Revised 65

PHILADELPHIA GAS WORKS

	Page Number
RATES (Cover Page) _____	66
Gas Cost Rate _____	Fiftieth Revised 67
Revenue Reconciliation Adjustment (RRA) Rider _____	70
Senior Citizen Discount _____	72
Migration/Reverse Migration Rider _____	75
Exit Fee Rider _____	77
Merchant Function & Gas Procurement Charges; Price to Compare _____	Fifth Revised 78
Restructuring and Consumer Education Surcharge _____	Twentieth Revised 79
Efficiency Cost Recovery Mechanism _____	Twentieth Revised 80
Universal Services Surcharge _____	Fifty Third Revised 81
Other Post Employment Benefit Surcharge _____	Sixth Revised Page 82
General Service - Rate GS _____	Fifty Ninth Revised 83
Municipal Service - Rate MS _____	Fifty Ninth Revised 87
Philadelphia Housing Authority Service –Rate PHA _____	Fifty Ninth Revised 90
Boiler and Power Plant Service – Rate BPS _____	Third Revised 93
Load Balancing Service – RATE LBS _____	Third Revised 97
Daily Balancing Service – Rate DB _____	101
Interruptible Transportation Service – Rate IT _____	111
Gas Transportation Service - Rate GTS - Firm Service _____	118
Gas Transportation Service - Rate GTS - Interruptible _____	124
Cogeneration Service - Rate CG _____	Second Revised 131
Developmental Natural Gas Vehicle Service - Rate NGVS Firm Service _____	Thirty Second Revised 135
Developmental Natural Gas Vehicle Service - Rate NGVS Interruptible Service _____	139
Liquefied Natural Gas Service – Rate LNG _____	Third Revised 142
SPECIAL PROVISION – Air Conditioning Rider _____	143
SPECIAL PROVISION – Compressed Natural Gas Rider _____	145
SPECIAL PROVISION – Emergency/Unauthorized Use Gas Rider _____	147
WEATHER NORMALIZATION ADJUSTMENT CLAUSE _____	Third Revised 149
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE _____	Seventh Revised 151

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)

In addition to the net charges provided for in this Tariff, a charge of 2.60% will apply consistent with the Commission Order dated May 9, 2013 at Docket No. P-2012-2337737 approving the DSIC.

(D)

1. General Description

A. Purpose: To recover the reasonable and prudent costs incurred to repair, improve, or replace eligible property which is completed and placed in service and recorded in the individual accounts, as noted below, between base rate cases and to provide the Utility with the resources to accelerate the replacement of aging infrastructure, to comply with evolving regulatory requirements. The costs of extending facilities to serve new customers are not recoverable through the DSIC.

B. Eligible Property: The DSIC-eligible property will consist of the following:

- Piping (account 376);
- Couplings (account 376);
- Gas services lines (account 380) and insulated and non-insulated fittings (account 378);
- Valves (account 376);
- Excess flow valves (account 376);
- Risers (account 376);
- Meter bars (account 382);
- Meters (account 381);
- Unreimbursed costs related to highway relocation projects where a natural gas distribution company or city natural gas distribution operation must relocate its facilities; and
- Other related capitalized costs.

C. Effective Date: The initial DSIC will become effective upon one (1) day notice after submission of a compliance tariff in compliance with commission order.

2. Computation of the DSIC

A. Calculation: The initial DSIC shall be calculated to recover the fixed costs of eligible plant additions that have not previously been reflected in the Utility's rates and have been placed in service during the three-month period ending one month prior to the effective date of the initial DSIC. The DSIC will be updated on July 1, 2013 and on a quarterly basis thereafter to reflect eligible plant additions that have not previously been reflected in the Utility's rates and will have been placed in service during the three-month period ending one month prior to the effective date of each DSIC update. Thus, changes in the DSIC rate will occur as follows:

(D) - Decrease